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**VERNON PARISH POLICE JURY  
Leesville, Louisiana**

**Basic Financial Statements  
(Primary Government)  
and Independent Auditor's Reports  
As of and for the Year Ended December 31, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-20-05

**VERNON PARISH POLICE JURY**  
Leesville, Louisiana

Basic Financial Statements  
(Primary Government)  
and Independent Auditor's Reports  
As of and for the Year Ended December 31, 2004

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**Independent Auditor's Report**

**VERNON PARISH POLICE JURY**  
Leesville, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Parish Police Jury as of and for the year ended December 31, 2004, which collectively comprise the police jury's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the police jury's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

I have been informed by management that the Legislative Auditor's office is reviewing certain transactions relating to the operations of the Vernon Parish Police Jury and, as of the date of my report, has not issued a report on their findings and/or recommendations. Accordingly, uncertainties exist relating to the possible liability, if any, that may result from the findings and recommendations reported by the Legislative Auditor's office.

**VERNON PARISH POLICE JURY**  
Independent Auditor's Report  
(Continued)

In my opinion, subject to the possible liabilities, if any, that may result from the findings and recommendations as discussed in the previous paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Parish Police Jury, primary government, as of December 31, 2004, and the respective changes in financial position thereof for the year ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the Vernon Parish Police Jury adopted, effective January 1, 2003, the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, Statement No. 37, Basic Financial Statements - and Managements Discussion and Analysis - for State and Local Governments: Omnibus, and Statement No. 38, Certain Financial Statement Note Disclosures. Adoption of these standards results in a change in the format and content of the basic financial statements and additional disclosures.

Management's discussion and analysis and budgetary comparison information on pages 4 through 11 and 43 through 50, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the police jury's basic financial statements. The combining and individual nonmajor fund financial statements are not a required part of the basic financial statements. The combining and individual nonmajor financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued a report dated June 22, 2005, on my consideration of internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

**VERNON PARISH POLICE JURY**  
Independent Auditor's Report  
(Continued)

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Herbie W. Way*

Herbie W. Way  
Alexandria, Louisiana  
June 22, 2005

**REQUIRED SUPPLEMENTAL INFORMATION**

**PART I**



**VERNON PARISH POLICE JURY**  
**Leesville, Louisiana**  
**Management's Discussion and Analysis**  
**December 31, 2004**

The Management's Discussion and Analysis (MD&A) of the Vernon Parish Police Jury's financial performance provides an overview of the police jury's financial activities for the year ended December 31, 2004. The MD&A is designed to focus on the current year's activities, resulting changes and currently known facts.

**FINANCIAL HIGHLIGHTS**

The assets (\$39.972 million) of the Vernon Parish Police Jury exceeded its liabilities (\$4.958 million) at the close of the most recent fiscal year by \$35.013 million (net assets). Of this amount, \$12.948 million (unrestricted net assets) may be used to meet the government's on-going obligations to citizens and creditors. The government's total net assets increased by \$4.845 million.

At December 31, 2004, the Vernon Parish Police Jury's governmental funds reported combined ending fund balances of \$13.968 million, an increase of \$.203 million in comparison with the prior year's ending fund balance of \$13.765 million. The total fund balance in the general fund is \$.951 million, a decrease of \$.328 million from the prior year. The unrestricted fund balance in the general fund of \$.841 million is available for spending at the government's discretion. Restricted fund balance in the general fund at year end is \$.110 million. At the end of the current fiscal year, unreserved fund balance for the general fund was 19.85 percent of total general fund expenditures and transfers out.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Vernon Parish Police Jury's basic financial statements. The Vernon Parish Police Jury's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.**

The government-wide financial statements are designed to provide readers with a broad overview of the Vernon Parish Police Jury's finances, in a manner similar to a private-sector business. These statements for the first time, combine governmental fund's current financial resources with capital assets and long-term debt obligations.

The statement of net assets presents information on all of the Vernon Parish Police Jury's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Vernon Parish Police Jury is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The focus on the statement of activities is on both the gross and net cost of various activities which are provided by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of cost of various governmental services.

**VERNON PARISH POLICE JURY**  
Leesville, Louisiana  
Management's Discussion and Analysis  
(Continued)

The government-wide financial statements distinguish the different functions of the Vernon Parish Police Jury that is principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Vernon Parish Police Jury include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The Vernon Parish Police Jury does not at this time have any business-type activities.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentations more familiar. The focus now is on the major fund types rather than the non-major fund types. The Vernon Parish Police Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Vernon Parish Police Jury maintains approximately 34 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Sanitary Landfill Fund, the Parishwide Maintenance Fund, Health Unit Maintenance Fund, Courthouse and Jail Maintenance Fund, Parishwide Overlay Fund, Library Maintenance Fund, Criminal Court Fund, and the Louisiana Workforce Investment Act Fund. At December 31, 2004, these nine funds are considered to be major funds of the police jury. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Vernon Parish Police Jury adopts an annual appropriated budget for its general, special revenue, and debt service funds. Budgetary comparison statements have been provided at the fund type level for the major funds to demonstrate legal compliance with these budgets.

The basic governmental fund financial statements can be found in the Basic Financial Statements Section of this financial report.

**VERNON PARISH POLICE JURY**  
Leesville, Louisiana  
Management's Discussion and Analysis  
(Continued)

**Fiduciary Funds**

These funds are used to account for resources held for the benefit of the Pariswide Maintenance Fund, the Sanitary Landfill Fund, the Fire Protection District Fund, and the Tourist and Recreation Fund. The Police Jury's fiduciary funds consist of the Sales Tax Fund and the Hotel/Motel Tax Fund. These funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Vernon Parish Police Jury's own programs until transferred to the various funds in accordance with the applicable sales tax propositions. The basic fiduciary fund financial statement can be found in the Basic Financial Statements section of this report.

**Infrastructure Assets**

General capital assets include land, improvements to land, easements, buildings, vehicles, machinery and equipment, infrastructure, and all other intangible assets that are used in operations and that have initial useful lives greater than one year and exceed the government's capitalization threshold of \$5,000. The parish has capitalized all purchased general capital assets. Infrastructure assets have not been capitalized in this financial presentation for years prior to December 31, 2002. Infrastructure assets added to the Police Jury's system since December 31, 2002, have been capitalized. Governmental Accounting Standards Board Statement No. 34 allows the parish a transitional period for reporting retroactive infrastructure assets of up to four years from the initial year of implementation. The police jury plans to record all material infrastructure assets in compliance with the transitional period. Prior to the implementation of the new reporting model, no depreciation was charged on general capital assets. Accumulated depreciation was recorded for the first time based on the date of acquisition and the life span of the asset in the 2003 financial statements

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the Notes Section of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Vernon Parish Police Jury's progress in funding its obligations. Required supplementary information can be found in the Required Supplementary section of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on the major fund's budgets.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Vernon Parish Police Jury, assets exceeded liabilities by \$35.013 million at the close of the most recent fiscal year.

**VERNON PARISH POLICE JURY**  
Leesville, Louisiana  
Management's Discussion and Analysis  
(Continued)

A large portion of the Vernon Parish Police Jury's net assets (61 percent) reflects its investment in capital assets (land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Vernon Parish Police Jury uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the Vernon's investment in its capital assets is reported net of related debt, it is not a spendable resource. The resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Vernon Parish Police Jury's Net Assets**

Total net assets for Governmental activities are \$35.013 million. A portion of the Vernon Parish Police Jury's net assets (\$.855 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$12.948 million) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Vernon Parish Police Jury is able to report positive balances in net assets. The government's total net assets increased by \$4.845 million during 2004, of which \$4.617 million was from investment in net capital assets, \$.134 million in restricted net assets, and \$.094 million in unrestricted net assets. The following table presents, in millions, the statement of net assets in a condensed format and provides a comparison with the previous year.

	2003	2004
<b><u>ASSETS</u></b>		
Current and other assets	\$14.3	\$14.4
Capital assets, net	21.2	25.6
Total Assets	<u>\$35.5</u>	<u>\$40.0</u>
<b><u>LIABILITIES</u></b>		
Current and other liabilities	\$1.7	\$1.9
Long-term liabilities	3.6	3.1
Total Liabilities	<u>5.3</u>	<u>5.0</u>
<b><u>NET ASSETS</u></b>		
Invested in capital assets, net of related debt	16.6	21.2
Restricted	.7	.9
Unrestricted	12.9	12.9
Total Net Assets	<u>\$30.2</u>	<u>\$35.0</u>

The results of current year's operations for the police jury are reported on the Statement of Activities. The following table presents, for the year ended December 31, 2004, condensed financial information (in millions) from that statement, with a comparison of activity for the year ended December 31, 2003.

**VERNON PARISH POLICE JURY**  
**Leesville, Louisiana**  
**Management's Discussion and Analysis**  
**(Continued)**

	<u>December 31</u>	
	<u>2004</u>	<u>2003</u>
<u>Revenues</u>		
Program revenues:		
Charges for services	\$2.0	\$1.3
Operating grants and contributions	2.0	2.0
General revenues:		
Ad valorem taxes	3.1	2.7
Sales and use taxes	6.6	5.7
Federal grants	.3	.4
State grants	2.5	3.5
Interest and investment earnings	.2	.3
Other general revenues	.1	.3
Total revenues	<u>16.8</u>	<u>16.2</u>
<u>Functions/Program Expenses</u>		
Current - general government:		
General government:		
Legislative	.5	.4
Judicial	1.1	1.0
Elections	.1	.1
Finance and administration	1.8	1.5
Other	4.0	5.4
Public safety	.9	1.1
Public works	.2	1.4
Health and welfare	.5	.5
Culture and recreation	.9	.8
Economic development and assistance	1.6	1.4
Debt service - interest and fiscal charges	.3	.2
Total expenses	<u>11.9</u>	<u>13.8</u>
Increase in net assets	<u>\$4.9</u>	<u>\$2.4</u>

**VERNON PARISH POLICE JURY**  
Leesville, Louisiana  
Management's Discussion and Analysis  
(Continued)

**Governmental Activities**

Sales taxes received this year were \$6.631 million up by \$.954 million over the previous year. Ad valorem taxes collected were \$3.074 million, up by \$.334 million. State severance taxes collected were \$1.091 million, down by \$.345 million. State revenue sharing received was \$.380 million, up by \$.003 million.

Grant money passing through the Louisiana Department of Labor and the Louisiana Department of Education to fund the operations of the Louisiana Workforce Investment Act for its Welfare to Work Program, Adult Program, Youth Activities Program, Dislocated Workers Program, and Administration amounted to \$1.589 million for 2004. This was an increase of \$.229 million from the previous year.

**Financial Analysis of the Government's Funds**

As noted earlier, the Vernon Parish Police Jury uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Vernon Parish Police Jury's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Vernon Parish Police Jury's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Vernon Parish Police Jury's governmental funds reported combined ending fund balances of approximately \$13.968 million, an increase of \$.203 from the previous year. Total fund balance for the general fund is \$.951 million. The unreserved fund balance in the general fund, \$.841 million, which constitutes an amount which is available for spending at the government's discretion. The remainder of fund balance is in special purpose funds to indicate that it is not necessarily available for new spending because it has already been committed to pay debt service, \$.910 million, and for a variety of other special purposes for which the funds were created, Special Revenue Funds, \$12.107 million.

The general fund is the chief operating fund of the Vernon Parish Police Jury. At the end of the current year, total fund balance of the General Fund was \$.841 million. The fund balance of the Vernon Parish Police Jury's General Fund decreased by \$.393 million from the previous year.

**Budgetary Highlights**

The major funds of the Vernon Parish police Jury includes the governmental funds presented on Statements C and E of the police jury's basic financial statements. Budgetary comparisons for these major funds is presented, as required supplemental information, on Schedules 1 through 8 of the police jury's basic financial statements. The following presents significant highlights of selected funds and the budgetary process.

**General Fund** - actual revenues exceeded budgeted revenues by approximately \$.619 million or 18.58 per cent. Actual expenditures were less than budgeted expenditures by approximately \$.086 million or 2.62 percent.

**Parishwide Road Maintenance Fund** - actual revenues exceeded budgeted revenues by \$.669 million or 21.22 per cent. Actual expenditures were less than budgeted expenditures by \$.006 million or less than 1.00 per cent.

**VERNON PARISH POLICE JURY**  
Leesville, Louisiana  
Management's Discussion and Analysis  
(Continued)

**Sanitary Landfill Fund** - actual revenues were less than budgeted revenues by approximately \$.107 million or 1.28 per cent. Actual expenditures were more than budgeted expenditures by approximately \$.273 million or 4.50 percent.

**Criminal Court Fund** - actual revenues were less than budgeted revenues by approximately \$.014 million or 2.42 per cent. Actual expenditures exceeded budgeted expenditures by approximately \$.013 million or 2.43 percent, primarily due to increases in the expenses in operating the criminal court system of the parish.

**Capital Asset and Debt Administration**

**Capital Assets**

The Vernon Parish Police Jury's investment in capital assets for its governmental activities at December 31, 2004, amounts to \$25.58 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure added this year. Retroactive infrastructure will be included in future financial statements. Additional information on Vernon Parish Police Jury's capital assets can be found in Note section of this report. The following table shows capital assets (in millions), net of accumulated depreciation, for this year as compared to the previous year.

	2004	2003
Land	\$1.21	\$1.19
Buildings and improvements	8.30	8.02
Machinery and equipment	6.89	7.82
Infrastructure	9.18	4.23
Totals	<u>\$25.58</u>	<u>\$21.26</u>

**Debt Administration**

At December 31, 2004, the Vernon Parish Police Jury had total debt outstanding of \$4.4 million. Of this amount, \$2.0 million is comprised of general obligation bonds, debt which is legally restricted from exceeding 10 per cent of the assessed value of taxable property in the parish. At December 31, 2004, the parish's debt limit is approximately \$9.0 million, which is significantly in excess of the Vernon Parish Police Jury's outstanding general obligation bonded debt of \$2.0 million. Additional information on the Vernon Parish Police Jury's long-term debt can be found in the Note section of this report.

**Economic Factors and Next Years Budgets and Rates**

The unemployment rate for the Vernon Parish is currently 6.0 percent, which is a decrease from the rate of 7.9 percent a year ago. This is lower than the state's average unemployment rate of 6.6 percent and matches the national average rate of 6.0 percent. Vernon Parish is the third largest parish in Louisiana with a total land area of 1,328.5 square miles or 850,245 acres. The parish is heavily dependent upon the continued success and operation of the Fort Polk Joint Readiness Training facility. This facility currently employs approximately 4,700 employees. Other major employers of the parish are the Vernon Parish School Board-1,454 employees, Bayne Jones Hospital-401, Walmart, Byrd Hospital, and the Police Jury - 200+, and the Vernon Parish Sheriff's Office-145.

**VERNON PARISH POLICE JURY**  
Leesville, Louisiana  
Management's Discussion and Analysis  
(Continued)

**Requests for Information**

This financial report is designed to provide a general overview of the Vernon Parish Police Jury's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Vernon Parish Police Jury, ATTN: Secretary/Treasurer, P.O. 1548, Louisiana, 71466.



VERNON PARISH POLICE JURY  
Leesville, Louisiana

BASIC FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2004, AND FOR THE YEAR THEN ENDED

VERNON PARISH POLICE JURY  
Leesville, Louisiana

Statement of Net Assets  
December 31, 2004  
(With Comparative Totals For December 31, 2003)

	TOTALS	
	2004	2003
<b>ASSETS</b>		
Cash and cash equivalents	\$8,432,430	\$6,654,574
Investments, at fair market value	2,024,997	3,731,133
Receivables	4,008,777	3,862,349
Capital assets (net of accumulated depreciation):		
Land	1,208,615	1,192,265
Buildings and improvements	8,294,970	8,020,552
Furniture and equipment	6,886,252	7,823,736
Infrastructure	9,183,724	4,228,059
<b>TOTAL ASSETS</b>	<b>\$40,039,765</b>	<b>\$35,512,668</b>
<b>LIABILITIES</b>		
Accounts, salaries, and other payables	\$443,080	\$435,625
Deferred revenue	6,642	47,301
Interest payable	165,589	190,870
Long-term liabilities:		
Due within one year	1,305,991	1,045,309
Due in more than one year	3,057,142	3,625,544
<b>Total Liabilities</b>	<b>4,978,443</b>	<b>5,344,649</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	21,210,428	16,593,759
Restricted for:		
Debt service	744,595	674,748
Other purposes	110,095	45,713
Unrestricted	12,996,203	12,853,799
<b>TOTAL NET ASSETS</b>	<b>\$35,061,322</b>	<b>\$30,168,019</b>

The accompanying notes are an integral part of these financial statements.

VERNON PARISH POLICE JURY  
Leesville, Louisiana

Statement of Activities  
For the Year Ended December 31, 2004  
(With Comparative Totals for the Year Ended December 31, 2003)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental activities:				
General government:				
Legislative	\$472,994			
Judicial	1,016,383	523,962		
Elections	71,825			
Finance and administrative	1,752,326	1,463,811		
Other	4,037,550			
Public safety	901,894		592,953	
Public works	181,591			
Health and welfare	468,806		79,643	
Culture and recreation	912,262			
Economic development and assistance	1,607,708		1,359,475	
Other expenditures	388,336			
Debt service	165,589			
Total Governmental Activities	11,977,265	1,987,774	2,032,071	NONE

General revenues:

Taxes:

  Property taxes, levied for general purposes  
  Property taxes, levied for debt services  
  Sales and use taxes, levied for general purposes  
Grants and contributions not restricted to specific purposes:  
  Federal grant programs  
  State grant programs  
Interest and investment earnings  
Miscellaneous  
Special item - gain on sale of assets

Total general revenues and special items

Changes in net assets

Net assets - January 1, 2004

Net assets - December 31, 2004

The accompanying notes are an integral part of these financial statements.

TOTALS	
2004	2003
NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
(\$472,994)	(\$427,787)
(492,421)	(562,874)
(71,825)	(128,973)
(288,515)	(628,606)
(4,037,550)	(5,158,764)
(308,941)	(531,420)
(181,591)	(1,385,495)
(389,163)	(355,866)
(912,262)	(845,612)
(248,233)	(19,915)
(388,336)	(244,129)
(165,589)	(199,605)
(7,957,421)	(10,489,045)
2,711,929	2,391,619
361,781	321,634
6,631,258	5,677,102
343,038	379,854
2,487,252	3,515,397
239,704	347,911
58,335	272,716
17,425	7,580
12,850,723	12,913,813
4,893,303	2,424,767
30,168,019	27,743,252
\$35,061,322	\$30,168,019
=====	=====

VERNON PARISH POLICE JURY  
Leesville, Louisiana

GOVERNMENTAL FUNDS

Balance Sheet

December 31, 2004

(With Comparative Totals, December 31, 2003)

	GENERAL FUND	PARISHWIDE MAINTENANCE FUND	SANITARY LANDFILL FUND	HEALTH UNIT MAINTENANCE FUND	COURTHOUSE AND JAIL MAINTENANCE FUND
<b>ASSETS</b>					
Cash and cash equivalents	\$491,056	\$127,615	\$250,024	\$1,808,532	\$26,148
Investments, at fair value			2,024,997		
Receivables	648,191	654,408		283,530	685,198
Interfund receivables	52,992				
<b>TOTAL ASSETS</b>	<b>\$1,192,239</b>	<b>\$782,023</b>	<b>\$2,275,021</b>	<b>\$2,092,063</b>	<b>\$711,346</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts, salaries, and other payables	\$241,463	\$47,570	\$1,625	\$9,514	\$19,783
Interfund payables					
Deferred revenues					
<b>Total Liabilities</b>	<b>241,463</b>	<b>47,570</b>	<b>1,625</b>	<b>9,514</b>	<b>19,783</b>
<b>Fund balances:</b>					
Reserved for:					
Debt service					
Employee health benefits	110,095				
Unreserved - reported in:					
General Fund	840,681				
Special Revenue Funds		734,453	2,273,395	2,082,549	691,563
<b>Total Fund Balances</b>	<b>950,776</b>	<b>734,453</b>	<b>2,273,396</b>	<b>2,082,549</b>	<b>691,563</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$1,192,239</b>	<b>\$782,023</b>	<b>\$2,275,021</b>	<b>\$2,092,063</b>	<b>\$711,346</b>

The accompanying notes are an integral part of these financial statements.

PARISHWIDE OVERLAY FUND	CRIMINAL COURT FUND	LIBRARY MAINTENANCE FUND	WORKFORCE INVESTMENT ACT FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
					2004	2003
\$2,230,957	\$33,042	\$414,291	\$18,681	\$3,042,211	\$8,442,557	\$6,654,574
	44,877	661,570	26,203	974,548	2,024,997	3,731,133
					3,978,526	3,862,349
					52,992	33,754
\$2,230,957	\$77,919	\$1,075,862	\$44,884	\$4,016,759	\$14,499,071	\$14,281,810
	\$5,689	\$26,009	38,242	\$33,060	\$422,955	\$435,625
	52,992		6,642		52,992	33,754
					6,642	47,301
NONE	58,681	26,009	44,884	33,060	482,589	516,680
				910,184	910,184	865,618
					110,095	45,713
2,230,957	19,238	1,049,852		3,073,514	840,681	1,233,704
2,230,957	19,238	1,049,852	NONE	3,983,698	12,155,522	11,620,095
					14,016,482	13,765,130
\$2,230,957	\$77,919	\$1,075,862	\$44,884	\$4,016,759	\$14,499,071	\$14,281,810

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VERNON PARISH POLICE JURY  
Leesville, Louisiana

Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Assets  
December 31, 2004  
(With Comparative Totals, December 31, 2003)

		TOTALS	
		2004	2003
Total Fund Balances - Governmental Funds		\$14,016,482	\$13,765,130
Cost of capital assets	\$35,671,632		
Less - accumulated depreciation	(10,098,071)	25,573,561	21,264,612
Elimination of interfund assets and liabilities:			
Interfund receivables	52,992		
Interfund payables	(52,992)	NONE	NONE
Long-term liabilities:			
Bonds and certificates of indebtedness payable	(2,840,000)		
Bank loans	(514,318)		
Capital lease agreements	(1,008,815)		
Interest payable - current	(165,589)	(4,528,722)	(4,861,723)
Net Assets		\$35,061,322	\$30,168,019

The accompanying notes are an integral part of these financial statements.



VERNON PARISH POLICE JURY  
Leesville, Louisiana  
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 2004  
(With Comparative Totals for the Year Ended December 31, 2003)

	GENERAL FUND	PARISHWIDE MAINTENANCE FUND	SANITARY LANDFILL FUND	HEALTH UNIT MAINTENANCE FUND
REVENUES				
Taxes:				
Ad valorem	\$238,460	\$332,439		\$271,258
Sales and use		1,088,298	\$4,353,192	
Other taxes, licenses, and interest	30,729			
Licenses and permits	179,842			
Intergovernmental revenues:				
Federal funds	199,263	328,423		
State funds	1,549,973	392,036		34,682
Local funds	22,208			
Fees, charges, and commissions for services	1,195,192			
Fines and forfeitures				
Use of money and property	90,480	1,786	100,740	15,133
Other revenues				
Total revenues	3,506,147	2,142,982	4,453,933	321,072
EXPENDITURES				
Current				
General government:				
Legislative	472,994			
Judicial	468,099			
Elections	71,825			
Finance and administrative	1,726,888			
Other	26,774			
Public safety	218,727			
Public works	458,048	2,610,816	1,586,633	
Health and welfare	112,469			232,849
Culture and recreation	10,576			
Economic development and assistance	18,901			
Other expenditures	386,355			
Capital outlay				
Debt service	33,486	251,835		
Total expenditures	4,005,142	2,862,651	1,586,633	232,849
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(498,995)	(719,669)	2,867,300	88,223

(Continued)

The accompanying notes are an integral part of these financial statements.

COURTHOUSE AND JAIL MAINTENANCE FUND	PARISHWIDE OVERLAY FUND	CRIMINAL COURT FUND	LIBRARY MAINTENANCE FUND	WORKFORCE INVESTMENT ACT FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
						2004	2003
\$655,438			\$632,936		\$943,179 1,189,768	\$3,073,710 6,631,258 30,729 179,842	\$2,713,252 5,677,102 32,113 150,947
83,815			119,490	\$1,588,807	258,617 307,257	2,375,109 2,487,252 22,208	2,774,123 3,515,397
		\$523,962	30,839		57,939	1,283,969	823,761
1,012	\$6,498	421	7,577 5,398		16,058	523,962 239,704 5,398	442,581 347,911 89,656
740,265	6,498	524,383	796,239	1,588,807	2,772,817	16,853,143	16,566,843
		533,750			14,534	472,994 1,016,383 71,825 12,108	427,787 1,005,455 128,973 1,452,367
707,909	1,649,384				1,363,714	2,384,067 1,582,440	4,945,498 1,705,374
					632,861	5,288,357	6,547,775
			765,533		123,487	468,806	435,509
				1,588,807	136,153	912,262	845,612
						1,607,708	1,379,390
						386,355	244,129
					175,121	175,121	362,198
					954,298	1,239,619	1,327,882
707,909	1,649,384	533,750	765,533	1,588,807	3,412,275	17,344,932	20,807,948
32,356	(1,642,886)	(9,366)	30,706	NONE	(639,458)	(491,790)	(4,241,105)

VERNON PARISH POLICE JURY  
Leesville, Louisiana  
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 2004  
(With Comparative Totals for the Year Ended December 31, 2003)

	GENERAL FUND	PARISHWIDE MAINTENANCE FUND	SANITARY LANDFILL FUND	HEALTH UNIT MAINTENANCE FUND
OTHER FINANCING SOURCES (Uses)				
Operating transfers in	\$122,238	\$170,004		
Operating transfers out	(231,884)		(\$4,472,944)	(\$120,000)
Increase in long-term debt	280,000	445,716		
Total other financing sources (uses)	170,354	615,720	(4,472,944)	(120,000)
SPECIAL ITEMS				
Sale of fixed assets				
Total Special Items	NONE	NONE	NONE	NONE
NET CHANGE IN FUND BALANCE	(328,641)	(103,948)	(1,605,644)	(31,777)
FUND BALANCE AT BEGINNING OF YEAR	1,279,417	838,401	3,879,040	2,114,326
FUND BALANCES AT END OF YEAR	\$950,776	\$734,453	\$2,273,396	\$2,082,549

(Concluded)

The accompanying notes are an integral part of these financial statements.

## Statement E

COURTHOUSE AND JAIL MAINTENANCE FUND	PARISHWIDE OVERLAY FUND	CRIMINAL COURT FUND	LIBRARY MAINTENANCE FUND	WORKFORCE INVESTMENT ACT FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
						2004	2003
110,000 (68,000)	3,906,940 (35,000)	54,868 (26,263)			605,541 (15,500)	4,969,592 (4,969,592) 725,716	4,571,088 (4,571,088)
42,000	3,871,940	28,604	NONE	NONE	590,041	725,716	NONE
					17,425	17,425	7,580
NONE	NONE	NONE	NONE	NONE	17,425	17,425	7,580
74,356	2,229,054	19,238	30,706	NONE	(31,992)	251,352	(4,233,525)
617,207	1,903	NONE	1,019,146	NONE	4,015,690	13,765,130	17,998,656
\$691,563	\$2,230,957	\$19,238	\$1,049,852	NONE	\$3,983,698	\$14,016,482	\$13,765,130

## Statement F

VERNON PARISH POLICE JURY  
Leesville, Louisiana

Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2004  
(With Comparative Totals for the Year Ended December 31, 2003)

		TOTALS	
		2004	2003
Total net change in fund balances - governmental funds		\$251,352	(\$4,233,525)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the period:			
Capital outlays	\$5,962,432		
Depreciation expense	1,653,483	4,308,959	5,530,015
Repayment of bond principal, bank loans, capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets		307,721	1,079,974
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		25,281	48,304
Change in net assets of governmental activities		\$4,893,303	\$2,424,767

The accompanying notes are an integral part of these financial statements.

## Statement G

VERNON PARISH POLICE JURY  
 Leesville, Louisiana  
 FIDUCIARY FUND - SALES AND HOTEL/MOTEL  
 TAX AGENCY FUND

Statement of Fiduciary Net Assets  
 June 30, 2004  
 (With Comparative Totals, December 31, 2003)

	TOTALS	
	2004	2003
ASSETS		
-----		
Cash and cash equivalents	\$15,341	\$15,282
Receivables		115,110
		-----
TOTAL ASSETS	\$15,341	\$130,393
	=====	=====
LIABILITIES		
-----		
Accounts payable	\$124	\$74
Deposits due others	15,217	130,319
		-----
TOTAL LIABILITIES	\$15,341	\$130,393
	=====	=====

The accompanying notes are an integral part of these financial statements.

**VERNON PARISH POLICE JURY**  
(Primary Government)  
Leesville, Louisiana

Notes to the Basic Financial Statements  
As of and for the Year Ended December 31, 2004

**INTRODUCTION**

The Vernon Parish Police Jury is the governing authority for Vernon Parish and is a political subdivision of the State of Louisiana. The police jury is governed by 12 jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January 2008.

Louisiana Revised Statute 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to regulate the construction and maintenance of drainage systems, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the Vernon Parish Police Jury have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, issued in June 1999.

**B. REPORTING ENTITY**

GASB Statement No. 14, The Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the police jury is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the police jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Governmental Accounting Standards Board (GASB) Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury) financial statements are not a substitute for the reporting entity's financial statements.

**VERNON PARISH POLICE JURY**  
**Primary Government**  
Leesville, Louisiana  
Notes to the Basic Financial Statements  
(Continued)

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the component units that comprise the reporting entity are included in the accompanying financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

**C. FUNDS**

The police jury uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain police jury functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds of the police jury are classified as follows:

**Governmental Funds**

Governmental funds account for all or most of the police jury's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the police jury. The following are the police jury's primary governmental funds:

**General Fund** -- the general operating fund of the police jury and accounts for all financial resources, except those required to be accounted for in other funds.

**Special revenue funds** -- account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Debt service funds** -- account for transactions relating to resources retained and used for the payment of principal and interest on general long-term debt recorded in the general long-term debt account group.

**Capital projects funds** -- account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.



**VERNON PARISH POLICE JURY**  
**Primary Government**  
**Leesville, Louisiana**  
**Notes to the Basic Financial Statements**  
**(Continued)**

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Government-Wide Financial Statements** - include the Statement of Net Assets (Statement A) and the Statement of Activities (Statement B). These financial statements report the financial position and results of operations for the police jury as a whole. Fiduciary funds are not included at this level, as they are only reported in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Government-Wide Financial Statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

**Program Revenues** - Program revenues included in the Statement of Activities (Statement B) derive directly from parties outside the police jury's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the police jury's general revenues.

**Allocation of Indirect Expenses** - The police jury reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that school buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Fund Financial Statements** - governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Fund financial statements report detailed information about the police jury. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

**VERNON PARISH POLICE JURY**  
**Primary Government**  
Leesville, Louisiana  
Notes to the Basic Financial Statements  
(Continued)

Governmental funds and the agency fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The police jury considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Federal and state entitlements (which includes state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Expenditure driven Federal and state grants are recorded as restricted grants-in-aid when the reimbursable expenditures have been incurred.

Food service income is recorded when collected. All food services income applicable to an accounting period is collected during the fiscal year.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. Taxes are normally collected in December, January, and February of the fiscal year.

Sales and use taxes are recorded in the month collected by the Vernon Parish School Board (collection agent) or by the Louisiana Department of Public Safety and Corrections, Public Safety Services.

Interest earnings on time deposits are recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recorded when they are available to the police jury.

Based on the above criteria, federal and state entitlements, ad valorem taxes, and sales and use tax are treated as susceptible to accrual by the police jury.

**VERNON PARISH POLICE JURY**  
**Primary Government**  
**Leesville, Louisiana**  
**Notes to the Basic Financial Statements**  
**(Continued)**

**Expenditures**

Salaries are recorded as expenditures when earned.

Purchases of various operating equipment and supplies are recorded as expenditures in the accounting period they are purchased.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Transfers between funds that are not expected to be repaid, sale of assets, and proceeds from the sale of bonds are accounted for as other financing sources (uses). These transactions are recognized at the time the underlying events occur.

**Deferred Revenues**

The police jury reports deferred revenues on its fund financial statements balance sheet. Deferred revenues arise when resources are received by the police jury before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the police jury has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

**E. BUDGETS**

The police jury adopts annual budgets on the General Fund and special revenue funds. The proposed budgets are prepared by the secretary/treasurer and the finance committee of the police jury during October/November of each year. During November/December, the availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are advertised in the official journal. At its meeting in December, the police jury holds a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the results of the public hearing and the desires of the police jury as a whole. The budgets are then adopted, and notice is published in the official journal.

The budgets are prepared on the modified accrual basis of accounting and all appropriations lapse at year end. Encumbrances are not formally recognized within the accounting system for budgetary control purposes; however, outstanding purchase orders are taken into consideration before expenditures are incurred to assure that applicable appropriations are not exceeded. Formal budgetary integration (within the accounting records) is employed as a management control device.

**VERNON PARISH POLICE JURY**  
**Primary Government**  
Leesville, Louisiana  
Notes to the Basic Financial Statements  
(Continued)

The secretary/treasurer is authorized to transfer amounts between line items within a fund; however, when requested by the police jury, budgetary comparisons are prepared and presented to the police jury during a regular meeting. The police jury reviews these comparisons and proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in the police jury minutes published in the official journal. Budget amounts included in the accompanying financial statements include the final amended budget amounts.

**F. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

**G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposit, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those income-producing items with original maturities of usually 90 days or less. Under state law, the police jury may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the police jury may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

**H. INVESTMENTS**

In accordance with Louisiana Revised Statute (LSA-R.S.) 32:2955, the police jury, upon determination of the availability of funds in excess of immediate cash requirements by its treasurer or chief financial officer and in the exercise of prudent judgment, may invest in direct United States Treasury obligations; bonds, debentures, notes, or other evidence of indebtedness guaranteed by federal agencies or United States government instrumentalities, provided that such obligations are backed by the full faith and credit of the United States government; and savings accounts and certificates of deposit of state banks organized under the laws of Louisiana or national banks having their principal offices in the state of Louisiana. Additionally, the police jury may invest in mutual or trust fund institutions (limited to 25 per cent of the funds considered available for investment under this section) provided that they are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the investment Act of 1940 and have underlying investments consisting solely of securities of the United States government or its agencies. Investments are stated at fair value.

**VERNON PARISH POLICE JURY**  
**Primary Government**  
**Leesville, Louisiana**  
**Notes to the Basic Financial Statements**  
**(Continued)**

**I. INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods and services provided or rendered. These receivables and payables are classified as interfund receivables and payables on the fund financial statements but are eliminated for reporting purposes on the government-wide financial statements.

**J. CAPITAL ASSETS**

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The police jury maintains a threshold level of \$5,000 or more for capitalizing capital assets for reporting purposes. Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the police jury, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using a composite group rate which is applied to similar assets for the purpose of calculating depreciation expense. Interest costs on debt used to finance the construction of capital assets are not capitalized.

**K. COMPENSATED ABSENCES**

Employees of the Vernon Parish Police Jury earn from 5 to 15 days of vacation leave each year, depending on their length of service. Vacation leave earned must be taken in the following year. Employees earn one day of sick leave for each month of service. A maximum accumulation of 40 days of sick leave is allowed. Accumulated sick leave is forfeited upon termination of employment.

Employees of the Vernon Parish Library earn from 12 to 22.5 days of vacation leave each year, depending on their length of service. Unused vacation leave cannot be carried forward, except under unusual circumstances. Employees are not paid for unused vacation leave upon termination of employment. All full-time employees earn 10 days of sick leave each year. Employees are permitted to carry forward five days of unused sick leave to the next year up to a maximum of 90 days. Employees are not paid for unused sick leave upon termination of employment.

All full-time employees of the Thirtieth Judicial District Criminal Court earn two weeks of vacation leave each year. Vacation leave must be taken in the year earned. Employees are entitled to pay during reasonable periods of illness.

**VERNON PARISH POLICE JURY**  
**Primary Government**  
Leesville, Louisiana  
Notes to the Basic Financial Statements  
(Continued)

Based on the aforementioned policies, there are no accumulated or vested benefits relating to compensated absences, at December 31, 2004, that require accrual or disclosure to conform with generally accepted accounting principles.

**L. RESTRICTED NET ASSETS**

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either, externally imposed by creditors (such as debt covenants, construction contracts, etc.), grantors, contributors, or laws or regulations of other governments and/or imposed by law through constitutional provisions or enabling legislation.

**M. FUND EQUITY**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**N. EXTRAORDINARY AND SPECIAL ITEMS**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the police jury, which are either unusual in nature or infrequent in occurrence.

**O. INTERFUND TRANSACTIONS**

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**P. SALES TAXES**

The Vernon Parish School Board is authorized to collect, within Vernon Parish, the following sales and use taxes for the benefit of the Vernon Parish Police Jury:

**VERNON PARISH POLICE JURY**  
**Primary Government**  
Leesville, Louisiana  
Notes to the Basic Financial Statements  
(Continued)

On March 12, 1996, the voters of the parish approved two sales and use taxes of one per cent (1%) and one-half of one per cent (1/2%). Both taxes are for a ten-year period, from April 1, 1996, and may be used to fund and retire bonds as provided by Louisiana Revised Statute 39:698. The proceeds of the one per cent tax, after paying cost to collect and administer the tax, are dedicated and used to pay the costs of collecting and disposing of solid waste with the remainder of the proceeds of the tax to be used for constructing and improving hard surface roads and bridges in the parish, including the acquisition of equipment.

The proceeds of the one-half per cent tax, after paying costs to collect and administer the tax are to be used as follows:

1. Fifty per cent of the proceeds of the tax (one-quarter of one per cent) is used to construct, improve, and maintain public roads, highways, and bridges in the parish.
2. Fifty per cent of the proceeds of the tax (one-quarter of one per cent) is used to construct, acquire, improve, maintain, and operate parishwide fire protection facilities.

**Q. HOTEL/MOTEL TAX**

As provided by Louisiana Revised Statute 33:4574, the police jury has levied a three per cent tax on the occupancy of all hotel/motel rooms and overnight camping facilities in the parish. Proceeds of the tax, less collection costs, are distributed to the Vernon Parish Tourist and Recreation Commission for the promotion of tourism in Vernon Parish.

**R. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**VERNON PARISH POLICE JURY**  
**Primary Government**  
Leesville, Louisiana  
Notes to the Basic Financial Statements  
(Continued)

**2. CASH AND CASH EQUIVALENTS**

At December 31, 2004, the police jury has cash and cash equivalents (book balance) as follows:

Petty cash	\$475
Interest-bearing demand deposits	6,939,888
Time and certificates of deposit	<u>1,492,067</u>
Total Cash and Cash Equivalents	<u><u>\$8,432,430</u></u>

The collected bank balances (cash and cash equivalents), at December 31, 2004, are secured as follows:

Description	Category			Bank	Book
	1	2	3	Balance	Balance
Demand deposits	\$200,000		\$7,473,737	\$7,673,737	\$6,939,888
Certificates of deposit	<u>200,000</u>		<u>1,292,067</u>	<u>1,492,067</u>	<u>1,492,067</u>
Totals	<u><u>\$400,000</u></u>	<u>NONE</u>	<u><u>\$8,765,804</u></u>	<u><u>\$9,165,804</u></u>	<u><u>\$8,431,955</u></u>

Category 1 includes cash and cash equivalents that are insured or registered or for which the securities are held by the police jury or its agent in the police jury's name. Category 2 includes uninsured and unregistered cash and cash equivalents for which securities are held by the bank's trust department, broker-dealers, or agent in the police jury's name. Category 3 includes uninsured and unregistered cash and cash equivalents for which the securities are held by the bank's trust department, broker-dealer, or by its agent but not in the police jury's name.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent has failed to pay deposited funds upon demand.



VERNON PARISH POLICE JURY  
Primary Government  
Leesville, Louisiana  
Notes to the Basic Financial Statements  
(Continued)

3. INVESTMENTS

At December 31, 2004, the police jury holds the following investments:

Description	Category			Fair
	A	B	C	Value
Government securities	\$1,002,197			\$1,002,197
Certificates of deposit	1,022,800			1,022,800
Total	\$2,024,997	NONE	NONE	\$2,024,997

Category A includes investments that are insured or registered or for which the securities are held by the police jury or its agent in the police jury's name. Category B includes uninsured and unregistered investments for which securities are held by the broker's or dealer's trust department or agent in the police jury's name. Category C includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the police jury's name.

4. RECEIVABLES

The receivables at December 31, 2004, are as follows:

Class of Receivable	Major Governmental Funds	Nonmajor Governmental Funds	Total
Taxes:			
Ad valorem	\$2,044,778	\$906,792	\$2,951,570
Other taxes, licenses, etc.	4,227		4,227
Licenses and permits	3,180		3,180
Intergovernmental revenues:			
Federal	309,168	20,125	329,293
State	605,544	67,756	673,300
Other	47,208		47,208
Total	\$3,014,104	\$994,673	\$4,008,777

**VERNON PARISH POLICE JURY**  
**Primary Government**  
**Leesville, Louisiana**  
**Notes to the Basic Financial Statements**  
**(Continued)**

**5. CAPITAL ASSETS**

Governmental capital assets and depreciation activity as of and for the year ended December 31, 2004, is as follows:

	Land	Buildings and Improvements	Machinery and Equipment	Infrastructure	Total
Beginning Balance	\$1,192,265	\$11,106,290	\$13,067,895	\$4,342,750	\$29,709,200
Additions	16,350	708,260		5,516,509	6,241,119
Deductions			(278,687)		(278,687)
Ending Balance	\$1,208,615	\$11,814,550	\$12,789,208	\$9,859,259	\$35,671,632
Less - accumulated depreciation	NONE	(3,519,580)	(5,902,956)	(617,740)	(10,040,276)
Capital assets, net	\$1,208,615	\$8,294,970	\$6,886,252	\$9,241,519	\$25,631,356
Recap of Accumulated Depreciation					
Beginning balance	NONE	\$3,085,738	\$,244,159	\$114,691	\$8,444,588
Current year depreciation	NONE	433,842	658,797	503,049	1,595,688
Ending Balance	NONE	\$3,519,580	\$5,902,956	\$617,740	\$10,040,276

**6. PENSION PLAN**

**Parochial Employees Retirement System of Louisiana** -- substantially all employees of the police jury are members of the Parochial Employees Retirement System of Louisiana ("system"), a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The system is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the police jury are members of Plan B. All permanent employees working at least 28 hours per week who are paid wholly or in part from funds and all elected parish officials are eligible to participate in the system. Under Plan B, employees who retire at or after age 62 with at least 10 years of credited service or at or after age 55 with 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 2 per cent of their final-average compensation in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 per cent for each year retirement precedes age 62. In any case, benefits paid under Plan B cannot exceed the lesser of 100 per cent of the final-average salary multiplied by total years of creditable service. Final-average salary is the employee's average salary over 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

**VERNON PARISH POLICE JURY**  
**Primary Government**  
Leesville, Louisiana  
Notes to the Basic Financial Statements  
(Continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post office Box 14619, Baton Rouge, LA 70898-4619, or by calling (504) 928-1361.

Under Plan B, members are required by state statute to contribute 3.0 percent of their annual covered salary in excess of \$1,200 and the employer is required to contribute at an actuarially determined rate. The current rate is 5.25 percent of annual covered payroll. Contributions to the System include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of the parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the employers are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year. The required employer contributions to the System under Plan B for the years ending December 31, 2004, \$126,505, 2003, \$98,535, and 2002, \$66,493, have been made by the police jury.

**7. LONG-TERM LIABILITIES**

The following is a summary of the long-term liability transactions for the year ended December 31, 2004:

	General Obligation Bonds and Certificates of Indebtedness	Bank Loans and Notes	Capital Leases	Total
Long-term debt payable at January 1, 2004	\$3,471,000	\$260,582	\$939,270	4,670,852
Additions		280,000	445,716	725,716
Deductions	(631,000)	(26,264)	(376,172)	(1,033,436)
Long-term debt payable at December 31, 2004	\$2,840,000	\$514,318	\$1,008,815	\$4,363,132
Current	\$585,000	\$419,187	\$301,804	\$1,305,991
Long-term	2,255,000	95,131	707,012	3,057,142
Total	\$2,840,000	\$514,318	\$1,008,815	\$4,363,133

In accordance with R.S. 39:562, the police jury is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of taxable property. At December 31, 2004, the statutory limit is \$9,003,938, and outstanding bonded debt totals \$2,000,000.

**VERNON PARISH POLICE JURY**  
**Primary Government**  
Leesville, Louisiana  
Notes to the Basic Financial Statements  
(Continued)

**Bonded debt** - the individual issues, which are serial bonds, payable from their respective debt service funds and certificates of indebtedness, payable from the Parishwide Overlay Fund, are as follows:

Description	Original Issue	Final Payment Date	Interest to Maturity	Principal Outstanding
Vernon Parish Library- Series 2002	\$695,000	May 1, 2008	\$38,880	\$485,000
Silam Building Renovation- Series 1999	1,800,000	April 1, 2019	606,221	1,515,000
Total Bonded Debt			645,101	2,000,000
Parishwide Overlay:				
Certificates of Indebted- ness Series 2002	1,625,000	June 1, 2006	30,813	840,000
Total			\$675,914	\$2,840,000

**Bank loans** - the police jury has the following bank loans outstanding at December 31, 2004:

Description	Original Issue	Final Payment Date	Interest to Maturity	Principal Outstanding
West LA Forestry Festival	November 12, 2004	November 12, 2005	\$4,435	\$111,489
General Fund	November 24, 2004	March 1, 2005	3,195	280,000
General Fund	August 14, 1992	August 13, 2009	13,904	122,829
Totals			\$21,534	\$514,318

Principal and interest requirements of the bonded debt are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. Principal and interest requirements of the certificates of indebtedness are funded through the Parishwide Overlay Fund. Principal and interest requirements of the bank loans are funded through the respective fund. The principal and interest on long-term liabilities are due as follows:

**VERNON PARISH POLICE JURY**  
**Primary Government**  
Leesville, Louisiana  
Notes to the Basic Financial Statements  
(Continued)

	General Obligation Bonds	Bank Loans	Capital Leases	Total
Year Ending December 31,				
2005	\$693,262	\$432,605	\$345,713	\$1,471,580
2006	700,796	33,486	206,014	940,295
2007	270,167	33,486	170,597	474,249
2008	276,587	33,486	149,402	459,474
2009	139,970	2,790	229,534	372,294
2010-2014	708,245		29,723	737,968
2015-2019	726,888			726,888
Totals	\$3,515,914	\$535,851	\$1,130,983	\$5,182,748

**Leases** - the police jury records items under capital leases as an asset and an obligation in the accompanying financial statements. The lease obligations, consisting of equipment, are paid from various special revenue funds. The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments, as of December 31, 2004:

Year Ending December 31,	
2005	\$345,713
2006	206,014
2007	170,597
2008	149,402
2009	229,534
2010-2013	29,723
Totals	1,130,983
Less - amount representing interest	(122,168)
Present value of future lease payments	\$1,008,815

The police jury has entered into operating leases for maintenance yards. These maintenance yards are used to store equipment and fuel for maintaining the parish's road system. The leases may be terminated by either the lessor or the lessee by giving 30 days written notice.

**VERNON PARISH POLICE JURY**  
**Primary Government**  
Leesville, Louisiana  
Notes to the Basic Financial Statements  
(Continued)

**8. CRIMINAL COURT FUND**

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the criminal court fund at year end be transferred to the parish's General Fund. The following details the amount due the General Fund at December 31, 2004:

Balance due at December 31, 2003	\$33,754
Amount remitted during 2004	NONE
Amount due for 2004	19,238
	-----
Balance due at December 31, 2004	\$52,992
	=====

**9. LITIGATION**

At December 31, 2004, the police jury is involved several lawsuits. In the opinion of the district attorney, legal counsel for the police jury, the ultimate resolution of those lawsuits that have progressed to a point where a determination can be made will not represent a significant liability to the police jury, and the remaining lawsuits have not progressed to a point where a determination can be made of any possible loss. No provision for any liability that may result has been made in the accompanying financial statements.

**10. FEDERAL PROGRAMS**

The Vernon Parish Police Jury participates in various programs funded through the Louisiana Department of Labor and the Louisiana Department of Education by the United States Department of Labor. The police jury is a member of the Fifth District Service Delivery Area (SDA), which consists of Allen, Beauregard, and Vernon Parishes. Members of the SDA entered into a multi-jurisdictional consortium agreement for the purpose of carrying out programs and activities. This agreement names the president of the Vernon Parish Police Jury as the authorized representative of the units of government signatory to the agreement. In addition, the agreement states that the entity designated as the grant recipient will receive the funds for the consortium area and be held ultimately liable for the funds.

A. Workforce Investment Board (WIB) - consists of 15 members representing a cross section of the SDA population. The WIB is responsible for providing program development guidance and for monitoring operations of the administrative entity.

B. Designated chief elected official - this is a police jury president, elected by his peers from the Fifth District Service Delivery Area. His responsibilities are the same as the WIB.

**VERNON PARISH POLICE JURY**  
**Primary Government**  
Leesville, Louisiana  
Notes to the Basic Financial Statements  
(Continued)

C. Administrative entity - the organization selected by the WIB and the consortium to administer the program. All actions by the administrative entity must be approved by the WIB and the designated chief elected official.

The Vernon Parish Police Jury is the designated grant recipient and the administrative entity. As a grant recipient, the Vernon Parish Police Jury has (1) accepted full responsibility for funds expended in the grant; (2) assured the Louisiana Department of Labor that all funds provided will be expended in accordance with the requirements of all applicable federal and state regulations, policies and procedures, and the approved plan; and (3) accepted ultimate responsibility for the grant funds.

**11. GENERAL LIABILITY INSURANCE**

The Vernon Parish Police Jury has determined that the cost of general liability insurance coverage is prohibitive. Consequently, the police jury has not obtained general liability insurance coverage against possible losses resulting from claims filed by individuals who might suffer injury while on police jury property.

**12. LANDFILL**

The Vernon Parish Police Jury operates a Type III (Construction and Demolition Debris and Woodwaste) landfill. The facility, consisting of approximately 10 acres, was originally opened in 1986 and has a remaining estimated useful life of approximately 20 years. State and federal laws and regulations require that the police jury place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for three years after closure.

Annual closure costs to fill and cover each cell is minimal because the volume of material removed to open each cell normally exceeds the volume of material required to cover the cell on closure. Additionally, the cost of the final pre-closure cover and the postclosure monitoring costs for three years after closure are estimated at \$30,000. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

As of December 31, 2004, the police jury, due to the immaterial amount of the estimated closure and postclosure care costs, has not recorded any liability relating to these cost estimates.

**REQUIRED SUPPLEMENTAL INFORMATION**

**PART II**



**VERNON PARISH POLICE JURY**  
Leesville, Louisiana  
Primary Government  
Supplemental Information  
Budgetary Highlights  
For the Year Ended December 31, 2004

The major funds of the Vernon Parish police Jury includes the governmental funds presented on Statements C and E of the police jury's basic financial statements. Budgetary comparisons for these major funds is presented, as required supplemental information, on Schedules 1 through 8 of the police jury's basic financial statements. The following presents significant highlights of selected funds and the budgetary process.

**General Fund** - actual revenues exceeded budgeted revenues by approximately \$.619 million or 18.58 per cent. Actual expenditures were less than budgeted expenditures by approximately \$.086 million or 2.62 percent.

**Parishwide Road Maintenance Fund** - actual revenues exceeded budgeted revenues by \$.669 million or 21.22 per cent. Actual expenditures were less than budgeted expenditures by \$.006 million or less than 1.00 per cent.

**Sanitary Landfill Fund** - actual revenues were less than budgeted revenues by approximately \$.107 million or 1.28 per cent. Actual expenditures were more than budgeted expenditures by approximately \$.273 million or 4.50 percent.

**Criminal Court Fund** - actual revenues were less than budgeted revenues by approximately \$.014 million or 2.42 per cent. Actual expenditures exceeded budgeted expenditures by approximately \$.013 million or 2.43 percent, primarily due to increases in the expenses in operating the criminal court system of the parish.

VERNON PARISH POLICE JURY  
Leesville, Louisiana  
GOVERNMENTAL FUND - GENERAL FUND

Budgetary Comparison Schedule  
For the Year Ended December 31, 2004

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$700,716	\$549,609	\$1,147,781	\$598,172
Resources (inflows)				
Taxes, licenses, and permits	2,020,000	1,566,340	1,539,903	(26,437)
Intergovernmental grants	340,000	643,645	658,364	14,719
Fines, forfeitures, and fees	77,500	57,935	90,822	32,887
Use of money and property	186,500	130,878	111,193	(19,685)
Operating transfers in		103,000	122,238	19,238
Other financing sources		280,000	280,000	
Amounts available for appropriations	3,324,716	3,331,407	3,950,301	618,894
Charges to appropriations (outflows)				
Current:				
General government:				
Legislative	437,650	474,594	472,994	1,600
Judicial	425,550	500,871	500,362	509
Elections	102,170	77,540	71,825	5,715
Finance and administration	1,143,735	981,146	843,995	137,151
Other	22,900	25,711	26,774	(1,063)
Public safety	244,940	209,426	218,727	(9,301)
Public works	529,880	458,530	518,048	(59,518)
Health and welfare	34,635	84,708	112,469	(27,761)
Culture and recreation	17,425	10,878	10,576	302
Economic development and assistance	22,355	19,046	18,901	145
Intergovernmental	261,250	424,314	386,355	37,959
Total charges to appropriations	3,242,490	3,266,764	3,181,027	85,737
BUDGETARY FUND BALANCES - ENDING	\$82,226	\$64,643	\$769,274	\$704,631

See Independent Auditor's Report.

VERNON PARISH POLICE JURY  
 Leesville, Louisiana  
 GOVERNMENTAL FUND - PARISHWIDE ROAD MAINTENANCE FUND

Budgetary Comparison Schedule  
 For the Year Ended December 31, 2004

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$130,271	\$173,276	\$838,401	\$665,125
Resources (inflows)				
Taxes, licenses, and permits	1,230,500	1,402,500	1,420,737	18,237
Intergovernmental grants	837,000	764,092	720,459	(43,633)
Use of money and property	3,000	2,668	1,786	(882)
Operating transfers in	310,000	140,000	170,004	30,004
Amounts available for appropriations	2,510,771	2,482,536	3,151,387	668,851
Charges to appropriations (outflows)				
Current:				
Public works	2,450,645	2,422,414	2,416,935	5,479
Total charges to appropriations	2,450,645	2,422,414	2,416,935	5,479
BUDGETARY FUND BALANCES - ENDING	\$60,126	\$60,122	\$734,453	\$674,331

See Independent Auditor's Report.

VERNON PARISH POLICE JURY  
 Leesville, Louisiana  
 GOVERNMENTAL FUND - SANITARY LANDFILL FUND

Budgetary Comparison Schedule  
 For the Year Ended December 31, 2004

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$3,585,534	\$3,654,083	\$3,879,040	\$224,957
Resources (inflows)				
Taxes, licenses, and permits	3,765,000	4,448,630	4,353,192	(95,438)
Use of money and property	399,100	337,000	100,740	(236,260)
Amounts available for appropriations	7,749,634	8,439,713	8,332,973	(106,740)
Charges to appropriations (outflows)				
Current:				
Public works	2,723,240	1,718,413	1,586,633	131,780
Other financing uses	2,416,000	4,068,240	4,472,944	(404,704)
Total charges to appropriations	5,139,240	5,786,653	6,059,577	(272,924)
BUDGETARY FUND BALANCES - ENDING	\$2,610,394	\$2,653,060	\$2,273,396	(\$379,664)

See Independent Auditor's Report.

VERNON PARISH POLICE JURY  
 Leesville, Louisiana  
 GOVERNMENTAL FUND - HEALTH UNIT MAINTENANCE FUND

Budgetary Comparison Schedule  
 For the Year Ended December 31, 2004

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$1,866,904	\$1,859,324	\$2,114,326	\$255,002
Resources (inflows)				
Taxes, licenses, and permits	240,000	243,070	271,258	28,188
Intergovernmental grants	36,000	39,470	34,682	(4,788)
Use of money and property	25,000	14,330	15,133	803
Amounts available for appropriations	2,167,904	2,156,194	2,435,398	279,204
Charges to appropriations (outflows)				
Current:				
Health and welfare	267,755	234,842	232,849	1,993
Other financing uses	120,000	120,000	120,000	0
Total charges to appropriations	387,755	354,842	352,849	1,993
BUDGETARY FUND BALANCES - ENDING	\$1,780,149	\$1,801,352	\$2,082,549	\$281,197

See Independent Auditor's Report.

VERNON PARISH POLICE JURY  
 Leesville, Louisiana  
 GOVERNMENTAL FUND - COURTHOUSE AND JAIL MAINTENANCE FUND

Budgetary Comparison Schedule  
 For the Year Ended December 31, 2004

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	(\$6,775)	\$954	\$617,207	\$616,253
Resources (inflows)				
Taxes, licenses, and permits	580,000	588,650	655,438	66,788
Intergovernmental grants	85,000	93,306	83,815	(9,491)
Use of money and property	3,100	1,869	1,012	(857)
Other financing sources		110,000	110,000	
Amounts available for appropriations	661,325	794,779	1,467,472	672,693
Charges to appropriations (outflows)				
Current:				
General government - other	657,860	706,909	707,909	(1,000)
Other financing uses		68,000	68,000	
Total charges to appropriations	657,860	774,909	775,909	(1,000)
BUDGETARY FUND BALANCES - ENDING	\$3,465	\$19,870	\$691,563	\$671,693

See Independent Auditor's Report.

VERNON PARISH POLICE JURY  
 Leesville, Louisiana  
 GOVERNMENTAL FUND - PARISHWIDE OVERLAY FUND

Budgetary Comparison Schedule  
 For the Year Ended December 31, 2004

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	(\$1,436)	\$1,903	\$1,903	NONE
Resources (inflows)				
Use of money and property	12,500	4,500	6,498	\$1,998
Other financing sources	1,750,000	2,958,240	3,906,940	948,700
Amounts available for appropriations	1,761,064	2,964,643	3,915,341	950,698
Charges to appropriations (outflows)				
Current:				
Public works	1,756,650	1,727,775	1,649,384	78,391
Other financing uses		35,000	35,000	
Total charges to appropriations	1,756,650	1,762,775	1,684,384	78,391
BUDGETARY FUND BALANCES - ENDING	\$4,414	\$1,201,868	\$2,230,957	\$1,029,089

See Independent Auditor's Report.

VERNON PARISH POLICE JURY  
 Leesville, Louisiana  
 GOVERNMENTAL FUND - CRIMINAL COURT FUND

Budgetary Comparison Schedule  
 For the Year Ended December 31, 2004

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$28,350	\$2,660	NONE	(\$2,660)
Resources (inflows)				
Fines, fees, forfeitures, and permits	472,000	495,610	\$523,962	28,352
Use of money and property	50,350	460	421	(39)
Other financing sources	110,000	94,870	54,868	(40,002)
Amounts available for appropriations	660,700	593,600	579,251	(14,349)
Charges to appropriations (outflows)				
Current:				
General government - judicial	658,970	539,707	533,750	5,957
Other financing uses		7,025	26,263	(19,238)
Total charges to appropriations	658,970	546,732	560,013	(13,281)
BUDGETARY FUND BALANCES - ENDING	\$1,730	\$46,868	\$19,238	(\$27,630)

See Independent Auditor's Report.



VERNON PARISH POLICE JURY  
 Leesville, Louisiana  
 GOVERNMENTAL FUND - LIBRARY MAINTENANCE FUND

Budgetary Comparison Schedule  
 For the Year Ended December 31, 2004

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$458,368	\$424,018	\$1,019,146	\$595,128
Resources (inflows)				
Taxes, licenses, and permits	560,000	565,000	632,936	67,936
Intergovernmental grants	100,000	136,413	119,490	(16,923)
Fees and charges	27,550	31,420	36,236	4,816
Use of money and property	25,000	12,457	11,514	(943)
Amounts available for appropriations	1,170,918	1,169,308	1,819,322	650,014
Charges to appropriations (outflows)				
Current:				
Culture and recreation	725,775	748,836	769,470	(20,634)
Total charges to appropriations	725,775	748,836	769,470	(20,634)
BUDGETARY FUND BALANCES - ENDING	\$445,143	\$420,472	\$1,049,852	\$629,380

See Independent Auditor's Report.

VERNON PARISH POLICE JURY  
LEESVILLE, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004

NONMAJOR GOVERNMENTAL FUNDS

VERNON PARISH POLICE JURY  
Leesville, Louisiana  
NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet, December 31, 2004  
(With Comparative Totals, December 31, 2003)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	TOTALS	
				2004	2003
<b>ASSETS</b>					
Cash and cash equivalents	\$2,467,128	\$575,083		\$3,042,211	\$3,151,337
Receivables	627,339	347,209	\$20,125	994,673	986,150
TOTAL ASSETS	\$3,094,467	\$922,292	\$20,125	\$4,036,884	\$4,137,488
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$20,953	\$12,108	\$20,125	\$53,185	\$121,797
Total liabilities	20,953	12,108	20,125	53,185	121,797
Fund balance - unreserved - undesignated	3,073,514	910,184	NONE	3,983,698	4,015,690
TOTAL LIABILITIES AND FUND BALANCE	\$3,094,467	\$922,292	\$20,125	\$4,036,884	\$4,137,488

See Independent Auditor's Report.

VERNON PARISH POLICE JURY  
Leesville, Louisiana  
NONMAJOR GOVERNMENTAL FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 2004  
(With Comparative Totals For the Year Ended December 31, 2003)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTALS	
				2004	2003
<b>REVENUES</b>					
<b>Taxes:</b>					
Ad valorem	\$581,398	\$361,781		\$943,179	\$842,351
Sales and use	1,189,768			1,189,768	1,002,331
<b>Intergovernmental revenues:</b>					
Federal grants	83,496		\$175,121	258,617	868,929
State funds	307,257			307,257	1,225,904
Fees, charges, and commissions for services	57,939			57,939	38,394
Fines and forfeitures					
Use of money and property	13,352	2,706		16,058	34,559
Gifts and grants					57,800
Total revenues	2,233,209	364,487	175,121	2,772,817	4,070,267
<b>EXPENDITURES</b>					
<b>Current:</b>					
<b>General government:</b>					
Judicial	14,534			14,534	18,710
Finance and administrative		12,108		12,108	11,233
Other					
Public safety	1,363,714			1,363,714	1,438,402
Public works	632,861			632,861	1,905,915
Health and welfare	123,487			123,487	120,862
Culture and recreation	136,153			136,153	113,729
Capital projects			175,121	175,121	362,198
Debt service	190,485	763,813		954,298	1,057,069
Total expenditures	2,461,233	775,921	175,121	3,412,275	5,028,118
<b>EXCESS (Deficiency) OF REVENUES OVER</b>					
<b>EXPENDITURES</b>	(228,024)	(411,434)	NONE	(639,458)	(957,851)

(Continued)

See Independent Auditor's Report.

VERNON PARISH POLICE JURY  
Leesville, Louisiana  
NONMAJOR GOVERNMENTAL FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 2004  
(With Comparative Totals For the Year Ended December 31, 2003)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTALS	
				2004	2003
OTHER FINANCING SOURCES (USES)					
Operating transfers in	\$149,541	\$456,000		\$605,541	\$584,710
Operating transfers out	(\$15,500)			(15,500)	
Total other financing sources (uses)	134,041	456,000	NONE	590,041	584,710
SPECIAL ITEMS					
Sale of fixed assets	17,425	NONE	NONE	17,425	720
NET CHANGE IN FUND BALANCE	(76,558)	44,566	NONE	(31,992)	(372,421)
FUND BALANCE AT BEGINNING OF YEAR	3,150,072	865,618	NONE	4,015,690	4,388,111
FUND BALANCE AT END OF YEAR	\$3,073,514	\$910,184	NONE	\$3,983,698	\$4,015,690

(Concluded)

See Independent Auditor's Report.

**VERNON PARISH POLICE JURY  
LEESVILLE, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004**

**GOVERNMENTAL FUNDS  
NONMAJOR SPECIAL REVENUE FUNDS**

**ROAD DISTRICT MAINTENANCE FUNDS** -- account for costs incurred in maintaining roads and bridges in the various road districts. Financing is provided primarily by ad valorem taxes and state revenue sharing. Revenues are dedicated for expenditure within the territorial boundaries of the individual road districts.

**ROAD DISTRICT CONSTRUCTION FUNDS** -- account for costs incurred in maintaining and constructing roads and bridges in the various road districts. Financing is provided by ad valorem taxes and state revenue sharing. Revenues are dedicated for expenditure within the territorial boundaries of the individual road districts.

**PUBLIC IMPROVEMENT CONSTRUCTION FUND** -- is comprised of balances remaining in the Public Improvements Debt Service Fund, and the Public Improvement Capital Projects Fund. The bond issue, serviced by the Public Improvement Debt Service Funds, was paid out in February 1981, and the construction project financed by this issue has been completed. The balance in the Public Improvements Construction Fund will be used to correct erosion and other problems at Lake Vernon and Lake Anacoco.

**JUDICIAL EXPENSE FUND** -- accounts for expenditures made to pay jurors and witness fees incurred in the operation of the court system. Financing is provided by operating transfer from the General Fund.

**TOURIST AND RECREATION FUND** -- accounts for expenditures made to promote tourism in Vernon Parish. The activities are financed by the levy of a hotel/motel sales tax.

**FIRE PROTECTION DISTRICT NO. 1 FUND** -- accounts for the cost of maintaining and operating fire stations throughout Vernon Parish. Financing is provided by a one-quarter of one per cent sales and use tax dedicated for that purpose.

**FIRE PROTECTION INSURANCE FUND** -- accounts for the cost of maintaining and operating fire stations throughout Vernon Parish. Financing is provided by the two per cent fire insurance rebate received from the State of Louisiana.

**ECONOMIC DEVELOPMENT FUND** -- accounts for the operations of the economic development program in Vernon Parish. Financing is provided from state grants.

**WEST LOUISIANA FORESTRY FESTIVAL FUND** -- accounts for operations of the forestry festival and related activities. Financing is provided by self-generated revenues; donations, and State grants.

**ANIMAL SHELTER FUND** -- accounts for the operations of the animal shelter program in Vernon Parish. Financing is provided by operating transfers from the Health Unit Maintenance Fund.

VERNON PARISH POLICE JURY, PRIMARY GOVERNMENT  
LEESVILLE, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
GOVERNMENTAL FUNDS  
NONMAJOR SPECIAL REVENUE FUNDS  
  
COMBINING SCHEDULES  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004

VERNON PARISH POLICE JURY  
Leesville, Louisiana  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

Combining Balance Sheet, December 31, 2004  
(With Comparative Totals, December 31, 2003)

	ROAD DISTRICT MAINTENANCE	ROAD DISTRICT CONSTRUCTION	PUBLIC IMPROVEMENT CONSTRUCTION	JUDICIAL EXPENSE	TOURIST AND RECREATION	FIRE PROTECTION DISTRICT NO. 1	FIRE INSURANCE FUND
<b>ASSETS</b>							
Cash and cash equivalents	\$72,978	\$239,111	\$114,300	\$3,417	\$24,298	\$1,110,270	\$590,116
Receivables	474,073	153,266					
<b>TOTAL ASSETS</b>	<b>\$547,052</b>	<b>\$392,376</b>	<b>\$114,300</b>	<b>\$3,417</b>	<b>\$24,298</b>	<b>\$1,110,270</b>	<b>\$590,116</b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>Liabilities:</b>							
Accounts payable	\$14,884	\$4,862					
<b>Total liabilities</b>	<b>14,884</b>	<b>4,862</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>
<b>Fund balance - unreserved - undesignated</b>	<b>532,168</b>	<b>387,515</b>	<b>114,300</b>	<b>3,417</b>	<b>24,298</b>	<b>1,110,270</b>	<b>590,116</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$547,052</b>	<b>\$392,376</b>	<b>\$114,300</b>	<b>\$3,417</b>	<b>\$24,298</b>	<b>\$1,110,270</b>	<b>\$590,116</b>

See Independent Auditor's Report.



ECONOMIC DEVELOPMENT	WEST LOUISIANA FORESTRY	ANIMAL SHELTER	TOTALS	
			2004	2003
\$282,989	\$11,751	\$17,897	\$2,467,128 627,339	\$2,579,755 596,633
\$282,989	\$11,751	\$17,897	\$3,094,467	\$3,176,388
		\$1,208	20,953	26,316
NONE	NONE	1,208	20,953	26,316
\$282,989	11,751	16,689	3,073,514	3,150,072
\$282,989	\$11,751	\$17,897	\$3,094,467	\$3,176,388

VERNON PARISH POLICE JURY  
Leesville, Louisiana  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 2004  
(With Comparative Totals For the Year Ended December 31, 2003)

	ROAD DISTRICT MAINTENANCE	ROAD DISTRICT CONSTRUCTION	PUBLIC IMPROVEMENT CONSTRUCTION	JUDICIAL EXPENSE	TOURIST AND RECREATION
REVENUES					
Taxes:					
Ad valorem	\$436,540	\$144,858			
Sales and use					\$101,470
Intergovernmental revenues:					
Federal grants					
State funds	81,310	21,816			
Fees, charges, and commissions for services					
Fines and forfeitures					
Use of money and property	601	1,180	785		69
Gifts and grants					
Total revenues	518,452	167,853	785		101,539
EXPENDITURES					
Current:					
General government:					
Judicial				14,534	
Finance and administrative					
Other					
Public safety					
Public works	498,054	43,305	8,258		
Health and welfare					
Culture and recreation					84,595
Economic development and assistance					
Debt service					
Total expenditures	498,054	43,305	8,258	14,534	84,595
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	20,398	124,548	(7,473)	(14,534)	16,944

(Continued)

See Independent Auditor's Report.

FIRE PROTECTION DISTRICT NO. 1	FIRE INSURANCE FUND	ECONOMIC DEVELOPMENT	WEST LOUISIANA FORESTRY	ANIMAL SHELTER	TOTALS	
					2004	2003
					\$581,398	\$520,717
\$1,088,298					1,189,768	1,002,331
83,496					83,496	506,731
	\$142,763	\$61,368			307,257	1,225,904
			\$50,389	\$7,550	57,939	38,394
5,545	3,299	1,452	71	350	13,352	25,138
						57,800
1,177,339	146,061	62,820	50,459	7,900	2,233,209	3,377,015
					14,534	18,710
1,187,927	175,787	83,244			1,363,714	1,438,402
					632,861	1,905,915
				123,487	123,487	120,862
			51,557		136,153	113,729
184,594			5,890		190,485	238,444
1,372,521	175,787	83,244	57,448	123,487	2,461,233	3,836,063
(195,181)	(29,725)	(20,425)	(6,989)	(115,587)	(228,024)	(459,048)

VERNON PARISH POLICE JURY  
Leesville, Louisiana  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 2004  
(With Comparative Totals For the Year Ended December 31, 2003)

	ROAD DISTRICT MAINTENANCE	ROAD DISTRICT CONSTRUCTION	PUBLIC IMPROVEMENT CONSTRUCTION	JUDICIAL EXPENSE	TOURIST AND RECREATION
OTHER FINANCING SOURCES (USES)					
Operating transfers in				\$14,041	
Operating transfers out					
Total other financing sources (uses)	NONE	NONE	NONE	14,041	NONE
SPECIAL ITEMS					
Sale of fixed assets	\$15,525	NONE	NONE	NONE	NONE
NET CHANGE IN FUND BALANCE	35,923	\$124,548	(\$7,473)	(493)	\$16,944
FUND BALANCE AT BEGINNING OF YEAR	496,245	262,966	121,773	3,910	7,354
FUND BALANCE AT END OF YEAR	\$532,168	\$387,515	\$114,300	\$3,417	\$24,298

(Concluded)

See Independent Auditor's Report.

FIRE PROTECTION DISTRICT NO. 1	FIRE INSURANCE FUND	ECONOMIC DEVELOPMENT	WEST LOUISIANA FORESTRY	ANIMAL SHELTER	TOTALS	
					2004	2003
\$15,500				\$120,000	\$149,541	\$128,710
	(\$15,500)				(15,500)	
15,500	(15,500)	NONE	NONE	120,000	134,041	128,710
1,900	NONE	NONE	NONE	NONE	17,425	720
(177,781)	(45,225)	(\$20,425)	(\$6,989)	4,413	(76,558)	(329,618)
1,288,052	635,341	303,414	18,740	12,276	3,150,072	3,479,690
\$1,110,270	\$590,116	\$282,989	\$11,751	\$16,689	\$3,073,514	\$3,150,072

VERNON PARISH POLICE JURY  
Leesville, Louisiana  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS -  
ROAD DISTRICT MAINTENANCE FUNDS

Combining Balance Sheet, December 31, 2004  
(With Comparative Totals, December 31, 2003)

	NO. 1	NO. 2	NO. 3	NO. 4	NO. 5	NO. 6	NO. 7
ASSETS							
Cash and cash equivalents	\$9,835	\$13,210	\$1,589	\$27,297	\$11,757	\$178	\$7,931
Receivables	71,065	103,278	41,677	53,516	75,821	48,633	53,960
TOTAL ASSETS	\$80,900	\$116,488	\$43,266	\$80,813	\$87,578	\$48,811	\$61,891
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	\$2,251	\$3,088	\$1,337	\$1,731	\$2,470	\$1,523	\$1,683
Fund balance - unreserved - undesignated	78,649	113,400	41,929	79,082	85,109	47,287	60,208
TOTAL LIABILITIES AND FUND BALANCE	\$80,900	\$116,488	\$43,266	\$80,813	\$87,578	\$48,811	\$61,891

See Independent Auditor's Report.

NO. 8	TOTAL	
	2004	2003
<hr/>		
\$1,182	\$72,978	\$65,312
26,123	474,073	451,041
<hr/>		
\$27,305	\$547,052	\$516,353
=====	=====	=====
\$802	\$14,884	\$20,108
<hr/>		
26,503	532,168	496,245
<hr/>		
\$27,305	\$547,052	\$516,353
=====	=====	=====

VERNON PARISH POLICE JURY  
Leesville, Louisiana  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS -  
ROAD DISTRICT MAINTENANCE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 2004  
(With Comparative Totals for the Year Ended December 31, 2003)

	NO. 1	NO. 2	NO. 3	NO. 4	NO. 5	NO. 6	NO. 7
REVENUES							
Taxes - ad valorem	\$63,324	\$85,395	\$40,108	\$52,384	\$80,426	\$43,874	\$48,360
State funds	14,858	32,612	3,979	4,470	3,364	7,443	9,145
Use of money and property	44	79	68	183	89	21	78
Total revenues	78,226	118,086	44,154	57,037	83,879	51,338	57,583
EXPENDITURES							
Current - public works	71,156	104,839	63,231	52,037	72,315	49,115	57,481
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	7,070	13,247	(19,077)	5,000	11,565	2,224	102
SPECIAL ITEMS							
Sale of general fixed assets	NONE	NONE	8,165	NONE	NONE	NONE	7,360
NET CHANGE IN FUND BALANCE	7,070	13,247	(10,912)	5,000	11,565	2,224	7,462
FUND BALANCE AT BEGINNING OF YEAR	71,579	100,153	52,840	74,083	73,544	45,064	52,746
FUND BALANCE AT END OF YEAR	\$78,649	\$113,400	\$41,929	\$79,082	\$85,109	\$47,287	\$60,208

See Independent Auditor's Report.



NO. 8	TOTALS	
	2004	2003
<hr/>		
\$22,670	\$436,540	\$392,245
5,439	81,310	77,022
40	601	1,115
<hr/>		
28,149	518,452	470,381
<hr/>		
27,881	498,054	494,290
<hr/>		
267	20,398	(23,910)
NONE	15,525	720
<hr/>		
267	35,923	(23,190)
26,236	496,245	519,435
<hr/>		
\$26,503	\$532,168	\$496,245
=====	=====	=====

VERNON PARISH POLICE JURY  
Leesville, Louisiana  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS -  
ROAD DISTRICT CONSTRUCTION FUNDS

Combining Balance Sheet, December 31, 2004  
(With Comparative Totals, December 31, 2003)

	NO. 1	NO. 2	NO. 3	NO. 4	NO. 5	NO. 6	NO. 7
	-----	-----	-----	-----	-----	-----	-----
ASSETS							
-----							
Cash and cash equivalents	\$38,102	\$19,336	\$3,025	\$56,304	\$69,392	\$6,175	\$30,959
Receivables	28,183	15,889	16,702	21,445	30,328	6,493	21,163
	-----	-----	-----	-----	-----	-----	-----
TOTAL ASSETS	\$66,285	\$35,225	\$19,728	\$77,749	\$99,720	\$12,668	\$52,122
	=====	=====	=====	=====	=====	=====	=====
LIABILITIES AND FUND EQUITY							
-----							
Liabilities:							
Accounts payable	\$893	\$475	\$536	\$694	\$988	\$203	\$672
	-----	-----	-----	-----	-----	-----	-----
Fund balance - unreserved - undesignated	65,393	34,750	19,192	77,055	98,732	12,464	51,449
	-----	-----	-----	-----	-----	-----	-----
TOTAL LIABILITIES AND FUND BALANCE	\$66,285	\$35,225	\$19,728	\$77,749	\$99,720	\$12,668	\$52,122
	=====	=====	=====	=====	=====	=====	=====

See Independent Auditor's Report.

NO. 8	TOTAL	
	2004	2003
\$15,818	\$239,111	\$122,185
13,062	153,266	145,592
-----	-----	-----
\$28,879	\$392,376	\$267,777
=====	=====	=====
\$401	\$4,862	\$4,810
-----	-----	-----
28,478	387,515	262,966
-----	-----	-----
\$28,879	\$392,376	\$267,777
=====	=====	=====

VERNON PARISH POLICE JURY  
Leesville, Louisiana  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS -  
ROAD DISTRICT CONSTRUCTION FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 2004  
(With Comparative Totals for the Year Ended December 31, 2003)

	NO. 1	NO. 2	NO. 3	NO. 4	NO. 5	NO. 6	NO. 7
REVENUES							
Taxes - ad valorem	\$25,907	\$13,188	\$16,086	\$20,989	\$32,170	\$5,857	\$19,325
State funds	5,099	5,017	1,594	1,791	1,346	994	3,255
Use of money and property	174	82	18	319	336	30	149
Total revenues	31,180	18,287	17,699	23,099	33,853	6,881	22,728
EXPENDITURES							
Current - public works	1,857	1,155	14,918	19,968	1,063	910	3,032
NET CHANGE IN FUND BALANCE	29,323	17,132	2,781	3,130	32,789	5,971	19,696
FUND BALANCE AT BEGINNING							
OF YEAR	36,070	17,619	16,411	73,925	65,943	6,493	31,753
FUND BALANCE AT END OF YEAR	\$65,393	\$34,750	\$19,192	\$77,055	\$98,732	\$12,464	\$51,449

See Independent Auditor's Report.

NO. 8	TOTALS	
	2004	2003
\$11,335	\$144,858	\$128,472
2,720	21,816	21,624
72	1,180	2,195
14,126	167,853	152,292
401	43,305	304,180
13,725	124,548	(151,888)
14,753	262,966	414,855
\$28,478	\$387,515	\$262,966

**VERNON PARISH POLICE JURY  
LEESVILLE, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004**

**GOVERNMENTAL FUNDS  
NONMAJOR DEBT SERVICE FUNDS**

**LIBRARY** -- used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related charges on the Series 1993, General Obligation Bonds in the amount of \$2,500,000. Proceeds were used to construct the Vernon Parish Library.

**ROAD IMPROVEMENT** -- used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related charges on the Series 1996, Certificates of Indebtedness in the amount of \$3,500,000. Proceeds were used to overlay parish roads.

VERNON PARISH POLICE JURY  
 Leesville, Louisiana  
 GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS

Combining Balance Sheet, December 31, 2004  
 (With Comparative Totals, December 31, 2003)

	LIBRARY/ JUDICIAL	ROAD IMPROVEMENT	TOTALS	
			2004	2003
ASSETS				
Cash and cash equivalents	\$307,366	\$267,717	\$575,083	\$571,582
Receivables	347,209		347,209	305,269
TOTAL ASSETS	\$654,575	\$267,717	\$922,292	\$876,851
LIABILITIES AND FUND BALANCE				
Liabilities - accounts payable	\$12,108	NONE	\$12,108	\$11,233
Fund balance - reserved for debt service	642,467	\$267,717	910,184	865,618
TOTAL LIABILITIES AND FUND BALANCE	\$654,575	\$267,717	\$922,292	\$876,851

See Independent Auditor's Report.

VERNON PARISH POLICE JURY  
Leesville, Louisiana  
GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 2004  
(With Comparative Totals for the Year Ended December 31, 2003)

			TOTALS	
	LIBRARY	ROAD IMPROVEMENT	2004	2003
REVENUES				
Taxes - ad valorem	\$361,781		\$361,781	\$321,634
Use of money and property	1,737	\$969	2,706	9,421
Total revenues	363,518	969	364,487	331,054
EXPENDITURES				
Current - general government - finance and administration	12,108		12,108	11,233
Debt service	268,317	495,496	763,813	818,624
Total expenditures	280,425	495,496	775,921	829,857
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	83,093	(494,527)	(411,434)	(498,803)
OTHER FINANCING SOURCES				
Operating transfers in	NONE	456,000	456,000	456,000
NET CHANGE IN FUND BALANCE	83,093	(38,527)	44,566	(42,803)
FUND BALANCE AT BEGINNING OF YEAR	559,374	306,244	865,618	908,421
FUND BALANCE AT END OF YEAR	\$642,467	\$267,717	\$910,184	\$865,618

See Independent Auditor's Report.



**VERNON PARISH POLICE JURY  
LEESVILLE, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004**

**GOVERNMENTAL FUNDS  
NONMAJOR CAPITAL PROJECTS FUNDS**

The capital projects funds are used to account for the construction of capital assets. Funding is provided by Federal grants (CFDA 14.219 - Small Cities Program) received which are passed through the Louisiana Community Development Block Grant Section of the Division of Administration -State of Louisiana.

VERNON PARISH POLICE JURY  
 Leesville, Louisiana  
 NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECT FUNDS

Combined Balance Sheet, December 31, 2004  
 (With Comparative Totals, December 31, 2003)

	WEST VERNON WATER PROJECT	WATER PROJECT	TOTAL	
			2004	2003
ASSETS				
-----				
Receivables	\$20,125	NONE	\$20,125	\$84,249
	=====	=====	=====	=====
LIABILITIES AND FUND BALANCE				
-----				
Liabilities:				
Accounts, salaries, and	\$20,125	NONE	\$20,125	\$84,249
	-----	-----	-----	-----
Fund balance - reserved for capital projects	NONE	NONE	NONE	NONE
	-----	-----	-----	-----
TOTAL LIABILITIES AND FUND BALANCE	\$20,125	NONE	\$20,125	NONE
	=====	=====	=====	=====

See Independent Auditor's Report.

VERNON PARISH POLICE JURY  
 Leesville, Louisiana  
 NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS

Combined Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended December 31, 2004  
 (With Comparative Totals for the Year Ended December 31, 2003)

	WEST VERNON WATER WORKS	WATER PROJECT	TOTAL	
			2004	2003
REVENUES				
Intergovernmental - federal funds	\$133,882	\$41,239	\$175,121	\$362,198
Total revenues	133,882	41,239	175,121	362,198
EXPENDITURES				
Capital outlay	133,882	41,239	175,121	362,198
Total expenditures	133,882	41,239	175,121	362,198
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	NONE	NONE	NONE	NONE
FUND BALANCE AT BEGINNING OF YEAR	NONE	NONE	NONE	NONE
FUND BALANCE AT END OF YEAR	NONE	NONE	NONE	NONE

See Independent Auditor's Report.

**VERNON PARISH POLICE JURY**  
 Leesville, Louisiana  
**SUPPLEMENTAL INFORMATION SCHEDULE**  
 For the Year Ended December 31, 2004

**COMPENSATION PAID POLICE JURORS**

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation, not to exceed the maximum provided by Louisiana law.

Burns, Houston	\$13,932
Clay, Curtis L.	14,400
Dowden, Howard	13,932
Fulton, Jr., Sam B.	14,400
Grimes, Jackie L.	14,400
Hamilton, John	14,400
Haymon, Melvin R.	14,400
Haymon, O. C.	468
James, Jimmy L.	14,400
McMahon, Tommy	14,400
Pynes, Ray	14,400
Tuck, James B.	10,089
Weeks, Reid W.	14,400
William, Billy	468
	-----
Totals	\$168,489
	=====

See Independent Auditor's Report.

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards, issued by the Comptroller General of the United States. The reports are based solely on the audit of the general purpose financial statements.

**HERBIE W. WAY**  
**CERTIFIED PUBLIC ACCOUNTANT**

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**VERNON PARISH POLICE JURY**  
Leesville, Louisiana

I have audited the general purpose financial statements of the Vernon Parish Police Jury as of and for the year ended December 31, 2004, and have issued my report thereon dated June 22, 2005. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

**VERNON PARISH POLICE JURY**  
Leesville, Louisiana  
Compliance and Internal Control Report  
(Continued)

Prior Year Audit Findings

The audit, for the year ended December 31, 2003, disclosed no instances of noncompliance that were required to be reported under Government Auditing Standards or matters involving the internal control over financial reporting and its operation that were considered to be material weaknesses.

The audit, for the year ended December 31, 2003, contained management letter comments relating to the adoption of certain roads into the parish's system of road administration. These comments and recommendations, for the reasons enumerated in the following paragraph, have not been addressed by management.

In a discussion with management of the police jury, it was determined that the Legislative Auditor is reviewing certain transactions relating to the operations of the Vernon Parish Police Jury, including the roads discussed in the prior year management letter; and, as of the date of my report, has not issued a report on their findings and/or recommendations. Management has opted to wait until the findings of the Legislative Auditor's office are presented to them for a formal response before any action is taken on the prior year management letter comments.

General

Under Louisiana Revised Statute (LSA-R.S.) 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Herbie W. Way*

Herbie W. Way  
Alexandria, Louisiana  
June 22, 2005

OTHER REPORTS REQUIRED BY

OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133

The following pages contain reports on the schedule of federal financial assistance, consideration of internal control, and compliance with laws and regulations required by OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the Single Audit Act, and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



**HERBIE W. WAY**  
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

**VERNON PARISH POLICE JURY**  
Leesville, Louisiana

I have audited the compliance of Vernon Parish Police Jury with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of the major federal programs for the year ended December 31, 2004. Vernon Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the police jury's management. My responsibility is to express an opinion on the police jury's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the police jury's compliance with those requirements and performing other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the police jury's compliance with those requirements.

In my opinion, the police jury complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2004.

Internal Control over Compliance

The management of the police jury is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the police jury's internal control over compliance with requirements that could have a direct and material effect on a major program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance with OMB Circular A-133.

**VERNON PARISH POLICE JURY**  
Leesville, Louisiana  
A-133 Report  
(Continued)

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

Under Louisiana Revised Statute (LSA-R.S.) 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Herbie W. Way*

Herbie W. Way  
Alexandria, Louisiana  
June 22, 2005

VERNON PARISH POLICE JURY  
Leesville, Louisiana

Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2004

Vernon Parish Police Jury  
 Leesville, Louisiana  
 Schedule of Expenditure of Federal Awards  
 For the Year Ended December 31, 2004

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME PROGRAM NAME	CFDA NUMBER	GRANT NUMBER	EXPENDITURES
-----			
UNITED STATES DEPARTMENT OF AGRICULTURE			
-----			
Passed through Louisiana Department of Treasury - Schools and Roads - Grants to States	10.665	NFR47	\$273,897
			-----
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
-----			
Passed through Louisiana Division of Administration - Office of the Governor - Community Development Block Grants:			
Small Cities Program	14.219	575721	41,239
Small Cities Program	14.219	588242	133,882
			-----
Total Small Cities Programs			175,121
			-----
Passed through Louisiana Department of Social Services - Emergency Shelter Grant	14.231	ESGP	26,488
			-----
Total United States Department of Housing and Urban Development			201,609
			-----
UNITED STATES DEPARTMENT OF JUSTICE			
-----			
Direct program - Drug Court Discretionary Grant Program	16.585		76,002
			-----
UNITED STATES DEPARTMENT OF LABOR			
-----			
Passed through Louisiana Department of Labor and the Louisiana Department of Education:			
Workforce Investment Act:			
Adult Program	17.258	50-WIA	557,341
Youth Activities	17.259	50-WIA	465,278
Dislocated Workers	17.260	50-WIA	346,799
Employment and Training Administration Evaluations	17.262	50-WIA	219,389
			-----
Total United States Department of Labor			1,588,807
			-----
UNITED STATES DEPARTMENT OF TRANSPORTATION			
-----			
Passed through Louisiana Department of Transportation and Development - Formula Grants for Other than Urbanized Areas	20.509		88,653
			-----

(Continued)

See Independent Auditors Report.

Vernon Parish Police Jury  
 Leesville, Louisiana  
 Schedule of Expenditure of Federal Awards  
 For the Year Ended December 31, 2004

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME PROGRAM NAME	CFDA NUMBER	GRANT NUMBER	EXPENDITURES
-----			
UNITED STATES DEPARTMENT OF HOMELAND SECURITY			
-----			
Passed through Louisiana Office of Emergency Preparedness - State and Local All Hazards Emergency Operations Planning	97.051	115-U0G7W	\$75,396
			-----
Total United States Department of Homeland Security			75,396
			-----
UNITED STATES DEPARTMENT OF DEFENSE			
-----			
Passed through Louisiana Department of the Treasury - Military Installation Timber Sales	12.000		54,526
			-----
UNITED STATES DEPARTMENT OF THE INTERIOR			
-----			
Passed through Louisiana Department of the Treasury - Payments-in-lieu of taxes	15.000		16,219
			-----
Total Expenditures			\$2,375,109
			=====

(Concluded)

See Independent Auditors Report.

# HERBIE W. WAY

## CERTIFIED PUBLIC ACCOUNTANT

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**VERNON PARISH POLICE JURY**  
Leesville, Louisiana

#### Section 1 - Summary of Auditor's Results

##### Financial Statements

Type of auditor's report issued.	Qualified
Internal control over financial reporting:	
Material weakness identified?	No
Reportable condition identified not considered a material weakness?	No
Noncompliance material to the financial statements noted?	No

##### Federal Awards

Internal Control over major programs:	
Material weakness identified?	No
Reportable condition identified not considered to be a material weakness?	No
Type of auditor's report issued on compliance for major programs.	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 Section 510(a)?	No
The Workforce Investment Act Programs (Cluster) - CFDA 17.258, CFDA 17.259, CFDA 17.260, and CFDA 17.262 have been assessed as a major program.	
Dollar threshold used to distinguish between Type A and Type B Programs.	\$500,000
Auditee qualified as low risk auditee?	Yes

**VERNON PARISH POLICE JURY**  
Leesville, Louisiana  
Schedule of Findings and Questioned Costs  
(Continued)

**Section II - Financial Statement Findings**

The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Section III - Federal Award Findings and Questioned Costs**

The audit disclosed no findings or questioned costs relating to expenditure of Federal Awards.

*Herbie W. Way*

Herbie W. Way  
Alexandria, Louisiana  
June 22, 2005